

UTILITIES DIVISION[199]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to Iowa Code section 476.2, the Utilities Board (Board) gives notice that on August 23, 2016, the Board issued an order in Docket No. RMU-2016-0010, In Re: Review of Tax Reform Revenue Adjustment Rules [199 IAC Chapter 30], “Order Commencing Rule Making,” proposing to rescind the Board’s rules regarding the Tax Reform Act of 1986. The rules were adopted to implement Iowa Code section 476.8A, which in turn was enacted in connection with the Tax Reform Act of 1986. Iowa Code section 476.8A was repealed in 1990, and it appears Chapter 30 of the Board’s rules can be rescinded in its entirety.

The Tax Reform Act of 1986 lowered the federal income tax rate for utilities from 46 percent to 34 percent, significantly reducing each utility’s cost of providing service to its customers. Iowa Code section 476.8A was enacted to expressly allow the Board to require rate-regulated utilities to file revised rates reflecting the change in the utilities’ federal tax expense without requiring a general rate review proceeding. (Utilities had the option to file a general rate case instead if they thought the decrease in tax expense was offset by increases in other expenses.) The Board then adopted the rules in Chapter 30 to specify the manner in which rates were to be revised. The Board is proposing to rescind the chapter since the provisions are no longer required by statute. Moreover, all of the rate-regulated utilities have been through multiple general rate cases since 1986, so there is no further need for this chapter of rules.

Because of the noncontroversial nature of this proposal, the Board did not seek early input from stakeholders. The order approving this Notice of Intended Action and commencing this rule making can be found on the Board’s Electronic Filing System (EFS) Web site, <http://efs.iowa.gov>, in Docket No. RMU-2016-0010.

Pursuant to Iowa Code sections 17A.4(1)“a” and “b,” any interested person may file a written statement of position pertaining to the proposed amendment. The statement must be filed on or before October 4, 2016. The statement should be filed electronically through the Board’s EFS Web site. Instructions for making an electronic filing can be found on the EFS Web site at <http://efs.iowa.gov>. Electronic filings shall comply with the format requirements in 199 IAC 2.2(2) and clearly state the author’s name and address and make specific reference to Docket No. RMU-2016-0010.

The Board is not scheduling an opportunity for interested persons to present oral comments on the proposed amendment at this time. Pursuant to Iowa Code section 17A.4(1)“a,” an oral comment proceeding will be scheduled if the Board receives a timely written request for one.

After analysis and review, the Board tentatively concludes that the proposed rescission, if adopted, will not have a detrimental effect on jobs in Iowa.

This amendment is intended to implement Iowa Code section 476.2.

The following amendment is proposed.

Rescind and reserve **199—Chapter 30**.